

## Policies, Institutions, and Markets CGIAR Research Program

### Financial Management Policy

Effective July 1, 2019

- 1) Carryover of Window 1-2 funds from one year to the next

Decisions about carryover of W1-2 funding allocated to non-CGIAR “managing” partners (KIT, MSU, Oxford University, WUR...) are taken by the PMU on a case by case basis.

Carryover of W1-2 funding allocated to CGIAR Centers and IFPRI Divisions is subject to the rules described below. Exceptions to these rules can be made for W1-2 funds allocated during supplemental allocation processes during the year and through the Gender Platform’s research calls.

#### Carryover rules

- Up to 10% of each entity’s research budget by flagship can be carried over from one year to the next. That is, IFPRI Division X or non-IFPRI Center Y can carry over a max of 10% of their flagship research budget, in each flagship that Division X or non-IFPRI Center Y participates in.
- Management budgets cannot be carried over.
- Carryover funding cannot be re-allocated across funding sources – e.g. a Center/IFPRI Division cannot carry over unspent funds from one funding source (activity) for use in the next year for another funding source (activity). Unspent funds that were set aside in a flagship-level reserve can be carried over to the same reserve in the next year. For modalities of transfer from one funding source to another funding source, see 2) below.
- Carryover needs to be approved first by the flagship and then by the PMU based on a justification for each activity for which carryover is requested, i.e. it is not automatic.
- For carryover to be considered, each flagship leadership team needs to submit a request to the PMU (aggregating requests for all entities that participate in the flagship), including, for each funding source/activity: annual budget, projected unspent amount, reasons for underspending, and flagship leadership’s recommendation; the PMU will provide a template for these requests.
- Flagship leadership teams may propose for consideration by the PMU a different distribution of the carryover between the entities that participate in the flagship, provided that 1) the total carryover amount does not exceed 10% of the initial flagship allocation, and 2) the proposed distribution is agreed upon by all entities that participate in the flagship.
- Each Center/IFPRI Division will be notified by the PMU of the decision about the allowed carry over amount(s) by flagship.
- The amount of carryover that is proposed at the end of a year is subject to confirmation of actual amount in the first quarter of the following year when financial books have been closed for the year.
- In cases when the amount of projected underspending is particularly uncertain, carryover requests may be submitted for flexible (maximum) amounts (within the 10% limit). In this case the final amount of the authorized carryover will be confirmed based on the actual spending.
- In case an entity’s spending exceeds the budget allocation for one of several activity(ies), the total overspent amount will be deducted from the unspent amount at the entity level – so that the authorized carryover amount for the entity stays lower than the net amount unspent by that entity.

## 2) Cross-activity transfers during the year

The following rules apply to all W1-2 funds allocated by PIM:

- Each entity (CGIAR Center, IFPRI Division or non-CGIAR managing partner) must seek approval from the PMU to make material changes to its annual work plan. This includes changes to the planned delivery (timeline, nature/substance of deliverables), to the partners responsible for delivery, and to the location of the work.
- If these changes have a financial component (for instance, a need to transfer W1-2 funding from one funding source to another funding source), the entity needs to submit a request to the PMU with cc to the flagship/cluster/project leadership including the rationale and details of the requested changes in allocations as well as a brief update about the spending of the relevant funding sources and the status of the corresponding planned deliverables.
- Flagship leadership may submit similar requests to the PMU, as long as they are agreed with (and copied to) the entities affected by the changes.
- The deadline for submitting such requests for a given year is September 1 of that year.
- Depending on the extent of and justifications for the requested changes, the PMU may consult with the MC before making a decision.
- Once changes have been agreed, the PMU is responsible for notifying the entity (Center representative, entity's financial officer...), the flagship/cluster/project leadership and the flagship manager in order to ensure that the records are updated and the contracts amended to reflect the changes.

## 3) Updates to and communication of the policy

This policy may be revised periodically, and updates will be shared with the PIM flagship/cluster/project leaders, flagship managers, Center representatives, Center financial officers, and PIs of cross-cutting W1-2 allocations (partnerships, capacity building, etc.)